



# California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

## News Release

FOR IMMEDIATE RELEASE

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### **PUC OPENS INVESTIGATION INTO BUSINESS PRACTICES OF CLEAR WORLD COMMUNICATIONS**

SAN FRANCISCO, June 11, 2004 – The California Public Utilities Commission (PUC) today opened an investigation into the fitness of Clear World Communications Corp. to continue to serve as a long-distance telecommunications provider in the state.

The Commission's Consumer Protection and Safety Division (CPSD) has prepared a detailed report finding that Clear World has engaged in a persistent pattern of misrepresentation to, and outright deception of, its customers and the Commission.

In its report CPSD concludes that Clear World: (1) operated two telephone companies without Commission approval; (2) misrepresented facts in sworn testimony to the PUC regarding such operations; (3) may have underpaid regulatory fees and public program surcharges; (4) did not produce documents requested by PUC staff; and (5) slammed and misrepresented the nature and type of services it offered to customers on an ongoing and widespread basis. The report is based in part on declarations from several of Clear World's former telemarketers. These telemarketers describe how they deceived customers while under Clear World management pressure to increase sales. Clear World's telemarketing appears to have been largely directed at Latino customers, many of whom may not speak English as a first language.

These alleged actions appear to have harmed many of Clear World's customers, the competitive marketplace, and the regulatory process.

Clear World is a reseller of long-distance service and is estimated to have between 500,000 and 800,000 customers.

Clear World must produce documents requested by the Commission within 15 days and within 60 days may submit prepared testimony. CPSD will file reply prepared testimony 30 days thereafter.

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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